

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2650 – SB 2515

March 26, 2012

SUMMARY OF AMENDMENT (015644): Increases, from \$50,000,000 to \$100,000,000, the required balance for the general shortfall reserve subaccount (GSRS) for net lottery proceeds. Requires the Comptroller of the Treasury to review annually and report to the education committees of the Senate and House of Representatives on the adequacy of the balance in the GSRS, whether payment from net lottery proceeds has been sufficient to fund scholarship programs without having to draw from the GSRS, and whether triggers for replenishing or increasing the GSRS are sufficient.

Amendment 015644 makes a technical correction concerning a reference to the GSRS.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue –

\$50,000,000/One-Time/General Shortfall Reserve Subaccount

Decrease State Revenue – \$50,000,000/One-Time/Lottery for Education Account

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions applied to amendment:

- Net lottery proceeds will be used to increase the balance of the GSRS.
- To increase the balance of the GSRS as required by the bill, \$50,000,000 that would have otherwise been deposited to the Lottery for Education Account (LFEA) would have to be deposited into the GSRS. Therefore, a one-time shift of \$50,000,000 from the LFEA to the GSRS.
- Any increase in state expenditures for the Comptroller to conduct a review concerning the GSRS, and to report to the education committees of the Senate and House of Representatives, will be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/rnc